

Application Number: 09/774,147
Amendment Dated 6/24/2005
Reply to Office Action of March 25, 2005

Page 2 of 25

clear if the term "system" refers to a "method" or an "apparatus". He stated that clarification is required.

B) Claim Rejections - 35 USC § 103: Claims 1 and 3-7 were rejected under 35 U.S.C. 103(a) as being unpatentable over Kane (US Patent 6,317,728 B1) in view of Gutterman et al (US Patent 5,297,031).

The examiner stated that with reference to claims 1, 4 and 5, Kane teaches a method and system for providing downside protection of stock market investments for managing an investment portfolio by an automated data processing system having a memory with an input device connected with the automated data processing system, the method comprising the steps of entering a name of a security into the automated data processing system through the input device (See Kane Column 1 lines 4-14); storing the name of the security in the memory (See Kane Column 1 lines 4-14); entering a buy price of the security into the automated data processing system through the input device (See Kane Column 1 lines 4-14); storing the buy price of the security in the memory as the high value (See Kane Column 1 lines 4-14); linking the automated data processing system by a data link to current stock information (See Kane Column 2 lines 31-34); reading a market price of the security from the current stock information (See Kane Column 2 lines 31-34); comparing the market price of the security to the high value (See Kane Column 2 lines 31-34); comparing the sell threshold price to the market price, and executing a sell event when the market price is below the sell threshold price (See Kane Column 2 lines 31-34) and repeating the linking steps until the sell event occurs (See Kane Column 2 lines 46-50). A computer-readable medium having imprinted therein a computer program containing instruction steps such that upon installation of the computer program in a general-purpose computer for performing the method above is inherent in the disclosure of Kane.

The Examiner further stated that Kane does not explicitly teach a trailing stop loss order processing which includes the steps of entering a stop loss percentage for the security into the automated data processing system through the input device,

Application Number: 09/774,147
Amendment Dated 6/24/2005
Reply to Office Action of March 25, 2005

Page 3 of 25

storing the stop loss percentage for the security in the memory, when the market price of the security exceeds the high value, setting the high value equal to the market price of the security to generate a new high value, storing the new high value for the security in memory as the high value, multiplying the stop loss percentage by the high value and subtracting the resulting product from the high value to generate a sell threshold price, and repeating the steps of setting new high value through generating a sell threshold price till the sell event occurs.

The Examiner stated that Gutterman teaches a trailing stop loss order which includes the steps of entering a stop loss percentage for the security into the automated data processing system through the input device, storing the stop loss percentage for the security in the memory, when the market price of the security exceeds the high value, setting the high value equal to the market price of the security to generate a new high value, storing the new high value for the security in memory as the high value, multiplying the stop loss percentage by the high value and subtracting the resulting product from the high value to generate a sell threshold price, and repeating the steps of setting new high value through generating a sell threshold price till the sell event occurs (See Gutterman Column 4 lines 1-5).

The Examiner also stated that both Kane and Gutterman are concerned with managing trading of securities for customers. It would have been obvious to one with ordinary skill in the art at the time of the current invention to include the teaching of Gutterman to the invention of Kane. The combination of the disclosures taken as a whole suggests that customers would have benefited from being able to gain as much as possible from a major move upward while making certain that they can probably lose back only a little of the gain.

The Examiner stated that with reference to claim 3, Kane teaches the step wherein the sell event further includes printing a summary of the sell information (See Kane Column 2 lines 46-50).

The Examiner further stated that with reference to claims 6 and 7, Kane teaches the means for automatically selling the security when the sell event occurs (See Kane Column 2 lines 46-50) and a data link connected to provide current stock